

★ news release

For Release MARCH 5, 1963

1. For sealskins processed and sold as dressed, dyed, machined and finished sealskins, Supara will receive \$14 per skin plus

16% of the average selling price, compared with \$15 per skin plus 17 $\frac{1}{2}$ % of the selling price under the old contract.

2. For female sealskins processed and sold as sheared, dressed and finished sealskins the Government will pay \$18 per skin selling at \$30 plus 16% of the average selling price in excess of \$30, compared with \$18.75 and 17 $\frac{1}{2}$ % under the terminated contract.
3. Supara is assured of an annual net profit, before taxes, of \$177,400 which is considered to be a fair and reasonable return on projected income and is subject to adjustment based upon an increase or decrease in income. Excess profits will be turned over to the Government.
4. Supara receives no increase in annual profit regardless of volume of sales if expenses exceed 87.375% of Company's income, whereas old contract contained no restriction on expenses or income.
5. Discount of 1% allowed buyers under old contract for cash will be discontinued, resulting in additional revenues of more than \$40,000 annually to the Government.
6. Supara will assign and transfer to the Government full and entire right in and to inventions and discoveries (except dyes).
7. Provision is made for Government to participate in sale of any byproducts; under the old contract the Government received no part of contractor's income from sale of byproducts.

The new contract provides for the redetermination of price after the conclusion of the fourth auction and at five-year intervals thereafter or at any other time at the request of either party.

While the contract covers the period ending December 31, 1974, it may be terminated at any time when Supara fails, in the judgment of the Secretary of the Interior, to maintain the recognized standards of quality of materials and workmanship expected by the fur industry from past experience, except as the same may be a direct result of the condition of the raw skins as furnished by the Government.

The State of Alaska will be the principal beneficiary of the larger return the Government will receive from the processing and selling of sealskins since the State receives 70% of the net proceeds.

The firm of Supara is a joint venture partnership composed of the Pritzker Interests, Chicago, Illinois (experienced in the ownership and management of a wide variety of businesses), National Superior Fur Dressing and Dyeing Company, Chicago, Illinois (engaged in fur dressing and processing since 1912), and the Superior Fur Dyeing Company, New York, New York (founded in 1915 and noted for fur dyeing).

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